

Project Background

A highly ranked university with significant endowment assets asked the WFA-CFAR team to develop a bottom-up allocation model for its private markets portfolio, allowing the endowment's investment team to better manage the cash allocation of its portfolio.

Analysis Description and Conclusion

The WFA-CFAR team developed a flexible model incorporating expected behavior of private equity, venture capital, and private real assets funds. The model allowed for inputs incorporating assumptions on capital calls, distributions, NAV growth rates, and fund terms, among others. The model also provided for incorporation of actual experience to inform outcomes—so that as each fund progresses, actual outcomes would be substituted for assumptions, giving the client better visibility into the trajectory of its capital allocation.

The model also allowed the client to examine the impact of various fee structures on expected net returns for a given manager.



The team delivered a working allocation and sizing model to the private markets portfolio management team along with supporting documentation.

CASE STUDY: Private Equity Allocation Model

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